

**Hearing on Leveling the Playing Field for Working
Families: Challenges and Opportunities**

HEARING

BEFORE THE
SUBCOMMITTEE ON WORKER AND FAMILY SUPPORT
OF THE

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTEENTH CONGRESS

FIRST SESSION

MARCH 7, 2019

Serial No. 116-10

COMMITTEE ON WAYS AND MEANS RICHARD E. NEAL, Massachusetts, <i>Chairman</i>	
JOHN LEWIS, Georgia LLOYD DOGGETT, Texas MIKE THOMPSON, California JOHN B. LARSON, Connecticut EARL BLUMENAUER, Oregon RON KIND, Wisconsin BILL PASCRELL, JR., New Jersey DANNY DAVIS, Illinois LINDA SÁNCHEZ, California BRIAN HIGGINS, New York TERRI SEWELL, Alabama SUZAN DELBENE, Washington JUDY CHU, California GWENDOLYNNE MOORE, Wisconsin DAN KILDEE, Michigan BRENDAN BOYLE, Pennsylvania DON BEYER, Virginia DWIGHT EVANS, Pennsylvania BRAD SCHNEIDER, Illinois TOM SUOZZI, New York JIMMY PANETTA, California STEPHANIE MURPHY, Florida JIMMY GOMEZ, California STEVEN HORSFORD, Nevada	KEVIN BRADY, Texas DEVIN NUNES, California VERN BUCHANAN, Florida ADRIAN SMITH, Nebraska KENNY MARCHANT, Texas TOM REED, New York MIKE KELLY, Pennsylvania GEORGE HOLDING, North Carolina JASON T. SMITH, Missouri TOM RICE, South Carolina DAVID SCHWEIKERT, Arizona JACKIE WALORSKI, Indiana DARIN LAHOOD, Illinois BRAD R. WENSTRUP, Ohio JODEY ARRINGTON, Texas DREW FERGUSON, Georgia RON ESTES, Kansas
BRANDON CASEY, <i>Staff Director</i> GARY J. ANDRES, <i>Minority Chief Counsel</i>	

SUBCOMMITTEE ON WORKER AND FAMILY SUPPORT DANNY K. DAVIS, Illinois, <i>Chairman</i>	
TERRI SEWELL, Alabama JUDY CHU, California GWENDOLYNNE MOORE, Wisconsin DWIGHT EVANS, Pennsylvania STEPHANIE MURPHY, Florida JIMMY GOMEZ, California	JACKIE WALORSKI, Indiana BRAD R. WENSTRUP, Ohio RON ESTES, Kansas TOM REED, New York

Hearing on Leveling the Playing Field for Working Families: Challenges and Opportunities

U.S. House of Representatives,
Subcommittee on Worker and Family Support,
Committee on Ways and Means,
Washington, D.C

WITNESSES

Yvette McKinnie
Chicago, Illinois
Witness Statement

Tameka Henry
Las Vegas, Nevada
Witness Statement

Jane Waldfogel
Compton Foundation Centennial Professor for the Prevention of Children's and Youth Problems, Columbia University School of Social Work
Witness Statement

Kelly Schulz
Secretary, Maryland Department of Commerce
Witness Statement



HOUSE COMMITTEE ON WAYS & MEANS

CHAIRMAN RICHARD E. NEAL

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON WORKER AND FAMILY SUPPORT

FOR IMMEDIATE RELEASE
February 28, 2019
No. WF-1

CONTACT: (202) 225-9263

Chairman Davis Announces a Subcommittee Hearing on Leveling the Playing Field for Working Families: Challenges and Opportunities

House Ways and Means Worker and Family Support Subcommittee Chairman Danny K. Davis announced today that the Subcommittee will hold a hearing, titled “Leveling the Playing Field for Working Families: Challenges and Opportunities,” on Thursday, March 7th, at 2 PM, in room 2020 Rayburn House Office Building.

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit written comments for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select “Hearings.” Select the hearing for which you would like to make a submission, and click on the link entitled, “Click here to provide a submission for the record.” Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Thursday, March 21, 2019**. For questions, or if you encounter technical problems, please call (202) 225-3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but reserves the right to format it according to guidelines. Any submission provided to the Committee by a witness, any materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

All submissions and supplementary materials must be submitted in a single document via email, provided in Word format and must not exceed a total of 10 pages. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. The name, company, address, telephone, and fax numbers of each witness must be included in the body of the email. Please exclude any personal identifiable information in the attached submission.

Failure to follow the formatting requirements may result in the exclusion of a submission. All submissions for the record are final.

The Committee seeks to make its facilities accessible to persons with disabilities. If you require special accommodations, please call (202) 225-3625 in advance of the event (four business days' notice is requested). Questions regarding special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available at <http://www.waysandmeans.house.gov/>

###

LEVELING THE PLAYING FIELD FOR WORKING
FAMILIES: CHALLENGES AND OPPORTUNITIES

Thursday, March 7, 2019

House of Representatives,
Subcommittee on Worker and Family Support,
Committee on Ways and Means,
Washington, D.C.

The Subcommittee met, pursuant to notice, at 2:00 p.m., in Room 2020, Rayburn House Office Building, Hon. Danny Davis [Chairman of the Subcommittee] presiding.

*Chairman Davis. The subcommittee will come to order. Let me first of all welcome all of you. This is our first hearing in the Worker and Family Support Subcommittee in this Congress, so before I begin, I just wanted to welcome our ranking member, Mrs. Walorski, and all of the standing members serving on our subcommittee.

I am very much looking forward to working with all of you this Congress on these issues that are so close to my heart and so important to all of the families that we represent.

Every day across America, parents, grandparents, and people of all colors and backgrounds, rural, urban, and suburban, get up in the morning and work hard to make better lives for their families. Despite these differences, these individuals encounter many of the same obstacles.

They cannot find appropriate child care or they cannot afford it. They need to care for a parent or a child or deal with their own health challenges, but they cannot withstand the loss of income from taking time off from work. Or the jobs that allow them to balance work and family pay less than the jobs available to workers who do not have those responsibilities or health challenges.

Lack of affordable child care and paid leave are not "some of us" problems. They are "all of us" problems, challenges all Americans will face at some time in their lives, from my district on the West Side of Chicago to the ones that my colleagues represent on the East and West Coasts.

Even with recent increases, after adjusting for inflation, our federal investment in child care remains roughly the same as it was over a decade ago, in 2006. As a result, only about one in six eligible children receives federal child care assistance, leaving many parents facing impossible choices. Less than half of Americans have access to paid medical leave. Less than a fourth of American workers live in States where they can earn temporary disability insurance, and less than a fifth of workers can get paid leave when

they need it to care for a loved one.

These barriers cause stress for all workers that encounter them. But for many of the people that I represent -- people who may not start out with as many skills and advantages, people who live in poorer communities, or people who are weighed down by their past mistakes or those of family members -- these barriers trap them in poverty even though they work hard every day.

I am deeply grateful that two hardworking caregivers, Mrs. Tameka Henry and Mrs. Yvette McKinnie, were willing to make the personal sacrifices necessary to travel here today and inform our work by sharing their stories.

Congress has the power to remove these barriers, to level the playing field for working families. Just last week, the National Academy of Sciences released a critical report which found that we could reduce child poverty by 50 percent in just 10 years by making policy changes that would cost just a fraction of the \$800 billion to \$1.1 trillion that child poverty costs our nation each year.

Among the evidence-based bipartisan policies highlighted in the report were changes to child care funding and tax credits. The child care policy changes alone were estimated to reduce child poverty by 30 percent. I am proud to cosponsor the Child Care for Working Families Act, introduced by my friend, Chairman Bobby Scott of the Education and Labor Committee, and I look forward to working with him to enact comprehensive solutions to the child care crisis that take advantage of all of the tools within the our two committees' jurisdictions.

When it comes to paid leave, some of our States and communities are already showing us the way, and have taken action to allow workers to earn the paid leave benefits that they need to balance work and family. My colleague Rosa DeLauro's FAMILY Act, which I and many of my colleagues have cosponsored, would build on these successful

State experiences to make earned paid leave a reality across the country. We are also fortunate to be able to call on the expertise of our colleague, Mr. Gomez from California, as we consider national action on paid leave.

Booker T. Washington said, "If you want to lift yourself up, lift someone else up." This Congress, I mean for our Subcommittee to realize his vision and to lift up the parents and grandparents across the country who have asked us for so little and have given so much.

And with that, I am pleased to recognize the ranking member, Mrs. Walorski, for an opening statement.

*Mrs. Walorski. Thank you so much, Mr. Chairman. And before I proceed with my opening statement, I just want to tell you again how excited I am to be partnering with you on this great committee as we work together on behalf of American families looking for that American dream.

And I know that for those of you that do not know, we live within 90 miles of each other. We just do not share weather in Chicago and Northern Indiana; we share all kinds of great culture. So I again want to extend the invitation for you to come to the Hoosier land, and I cannot wait to come to Chicago. I am a Chicago Cubs fan.

[Laughter.]

*Mrs. Walorski. So with that, thank you so much. I agree that at a time when we have 7.3 million job openings and demands for workers that is producing upward pressure on wages, we do need to know what is holding back individuals who are still not back in the workforce. Just last week when governors from across the country were in D.C., they raised concerns about the need for workers and highlighted workforce development challenges.

Just this week I met with the head of Governor Holcomb's workforce cabinet for an

update on their work to realign and better coordinate the efforts of the multiple State agencies that play a role in developing Indiana's workforce.

Last year before this subcommittee, we heard from Peter Barrett of Smokercraft, a boat maker in Indiana, who told us that with an aging workforce and the small pool of qualified workers for area businesses to recruit from, he was concerned about the future prospect of finding skilled workers as well, a critical component for the growth of his business. Since his testimony, the situation has only worsened for employers like Smokercraft. That also means this has improved even further for other workers.

In my district alone, we know we need 10,000 new hires today, just today, to keep up with the demand of tomorrow. We need them right now to meet the demand of incoming orders to help continue our record economic growth. Competition for workers means increasing salaries, bonuses, and other benefits such as paid leave. These are the challenges, and each of those are also great opportunities.

We have the opportunity to make economic and social gains in ways not seen in decades so families are far better off financially, helping to improve their overall well-being in the near and long term. Better wages and stable work bring along a host of benefits, the greatest being the positive impact on children who are spared the trauma that comes from unrest in the home.

At the root of addressing these challenges needs to be a focus on human interact, engagement, support, encouragement, and belief in the possible, not just the assumptions about the probable. I am talking about jobs and opportunities with benefits and services for success, also known as the Jobs for Success Act.

For far too long, States have taken Federal tax dollars but have not done enough to help families. By focusing at the Federal level on outcomes, we can empower caseworkers on the ground to focus on the needs of the families sitting across the table, which

increasingly means recognizing mental health or substance use issues. To help them achieve their own vision of success, it is time to focus on solving the root causes rather than pushing complex government ideas that will only address the symptoms.

Thank you to our panel of witnesses for being here today and for sharing your perspective. Again, I am proud to be a part of this subcommittee. I look forward to the ways we can work together to help more Americans enter and remain the workforce, climb the economic ladder, and realize their full potential.

With that, I yield back. Thank you, Mr. Chairman.

*Chairman Davis. Thank you. Thank you, Mrs. Walorski.

Without objection, all members' opening statements will be made part of the record.

We have a distinguished panel of witnesses here with us today to discuss the real challenges facing parents and grandparents across the country and what Congress should be doing to support them. I look forward to learning from them today and having their voices guide our subcommittee's work.

First of all I would like to welcome Mrs. Yvette McKinnie. Mrs. McKinnie is raising her grandchildren while working to support her family in my congressional district in Chicago.

Next, Mrs. Tameka Henry. Mrs. Henry is a mother of four who balances two jobs caring for a disabled husband and caring for her children.

And Dr. Jane Waldfogel is an expert in paid leave and child care research and the Compton Foundation Centennial Professor for the Prevention of Children's and Youth Problems at the Columbia University School of Social work. Doctor, thank you.

And finally, Ms. Kelly Schultz is the Secretary of the Maryland Department of Commerce. And we are indeed delighted to have you.

Each of your statements will be made a part of the record in its entirety. I would ask you to summarize your testimony in five minutes or less. To help you with that time, there is a timing light at your table. When you have one minute left, the light will switch from green to yellow and then finally to red when five minutes are up.

So we thank you again for coming. You are indeed welcome. And I would ask Mrs. McKinnie if you would begin.

STATEMENT OF YVETTE MCKINNIE, CHICAGO, ILLINOIS

*Mrs. McKinnie. Thank you. Good afternoon. My name is Yvette McKinnie. First, I would like to thank Chairman Mr. Davis, Ranking Member Mrs. Walorski, and the members of the committee, for this opportunity to express my experience with being a grandmother and raising a young son.

I am a grandmother. My grandson, Matthew, is 11 years old. And I have a 3-year-old son named Elijah. I have been caring for Matthew for the last two years. His mother's job relocated her to Indianapolis. Because we have no family in Indianapolis and we was not familiar with the child care up there, we decided to leave him in Chicago where he could finish his education, but then also get the structure and be raised in a home with ones he is familiar with.

Then I have Elijah. Elijah is 3 years old. Elijah was originally supposed to have been my son's son, but we found out that, through DNA, he was not. So I took on the responsibility to continue to care for him and to raise him where he also will have a quality of life.

On top of that, yes, it has been hard. I was working a full-time job, but because I was raising two young boys, it would not -- I did not have -- it was not in my schedule where I was able to give them the care. I have applied for Action for Children.

Action for Children instructed me that they were only for -- I was not eligible because it was only for the parents. I explained to them that I have custody over Elijah and that I have paperwork to prove it. They stated that I was not the biological parent, so I was not approved for the child care.

When Elijah turned 3, we found out that he has special needs. Elijah has a sensory autism and he also is dealing with hyperactivity as well. So because of that, I cannot

just leave him with anyone because sometimes when he gets heightened, it is very hard for ones to deal with him.

Elijah was going to an early childhood development where I was paying \$600. That is one reason I went to Action for Children, to try to get resources and assistance. So after they instructed me that I was not able to, I had to pull him out and put him into the Chicago public school system, where it cut down some of his needs because now instead of him having speech therapy every week for a hour, now they had cut it down to 15 minutes, is what he receive.

Yes, it is hard raising even with Matthew because there are times where Matthew now is in basketball. So because I do not have anyone to help me with Elijah, I have to take him to the games. And sometime it becomes hard because I have to walk out, and then that leaves Matthew looking for me and I am not there.

So with Action for Children, like I stated, after they stated it was not for myself as a grandparent, I had to do what I had to do, which was to downsize my job so I can continue to give them the quality of life. I am now employed with Life Changing Community Outreach, where they actually have flexible hours for me, where they have given me the support as well, so when I go and pick up Matthew, and then I am able to come back.

My day starts at 5:00 a.m., where I have to get both of the boys dressed, make sure they have breakfast, get Matthew off to school at 8:00, and then come back to get Elijah at school for 11:15. Because he was no longer able to go to Mrs. McKinney's Early Childhood Development, his time also has been cut. So instead of him going from 8:30 to 3:30, now he goes to school from 11:15 to 2:15.

Also, I have to juggle my time. Even when I have doctor's appointments, I have to make sure they are actually at 8:30 in the morning or while they are in school. Matthew gets out of school at 3:30, so when he gets out of school, I take him and Elijah with me to

the center where I work, where they are able to participate in the program and the activities that they have.

When my job is finished there, we go home. I finish helping Matthew with his homework and we eat dinner, and then my day starts all over again when I go to bed at 11:00. And the reason it is late is because I have to still make sure they are prepared for the next day.

I do love both of my boys and I have stepped up to care for Matthew so he can have the structure. And I also stepped up to take care of Elijah so he did not go into foster care. I am thankful that I did find a job that will help me with the flexible hours. Matthew, he is doing well. He is socializing with others. He loves basketball. His reading and math score have increased.

Elijah still needs a little work. He now is able to say that he has to go to the bathroom, but when his sensory is heightened, it is very hard. So I continue with the struggle with Elijah, but he is improving. And the reason I am here today is because there are other family members and there are other grandparents. There is a total of 2.6 million children across the United States that are being raised by grandparents, other relatives, or close friends because of the parents are not able to care for them at the time.

So what would have helped me was if I was able to receive financial assistance. Then I would have been able to keep Elijah in the child care where he was at where he was continue to get speech therapy, occupational therapy, and whatever else was necessary for him. Then I would have been able to keep my job full-time.

I still need help, so because as a caregiver and as a grandmother raising two boys, yes, it becomes hard. Caregiver policy should not be just for the parents, but then also should be to help grandparents as well. Without Matthew's mom, it is hard, but it is also hard for Elijah as well. But I do what I have to do so they can continue to have a quality of

life.

So I urge Congress to support policies and ensure grandparents raising grandchildren to get us the help that we need. That is it.

[\[The prepared statement of Mrs. McKinnie follows:\]](#)

*Chairman Davis. Thank you.

Mrs. Henry?

STATEMENT OF TAMEKA HENRY, LAS VEGAS, NEVADA

*Mrs. Henry. Good afternoon, Chairman Davis, Ranking Member Walorski, and distinguished members of the committee. I am Tameka Henry, a devoted wife and mother of four from Las Vegas, Nevada. I come before you today to share my story and to advocate for the urgent need to have real paid leave for families across this country.

My husband and I have been together for 20 years. We have four incredible children ranging in age from 12 to 18. In 2006 my husband became disabled. He had been working at one of the luxury condominiums in town, but once he became ill, they let him go. I was working at an assisted living place, providing care for those with disabilities.

For a long while, his illness was a mystery. We did not know what was going on, and my children would frequently called me to explain that they had to call the paramedics because he was so sick. Each time I would have to take off work without pay. Then I lost that job. It was really tough because I had become the sole breadwinner.

My husband finally got diagnosed with gastroparesis, which is an offset of diabetes. Eventually he got his Social Security disability benefit, but it took 6 years for that to happen, and it was about \$600 a month. His condition often requires me to take time from work, which has resulted in my own inability to maintain employment. Every time I found a new job it was like starting over again. I did not have a chance to build up tenure. I would take jobs that have flexibility for time off, but always without pay. Yet I still had to pay the bills.

Since my husband became ill, he has been in and out of the hospital on average 10 to 12 days per month, not to mention the time that I have had to take off with our children. Two of them have asthma. When I do the math, I estimate that I have lost close to \$200,000 in wages since his diagnosis. Making our monthly bills is hit or miss, month to

month, depending on his condition.

This hardship has definitely impacted other areas of our lives together. We cannot even consider purchasing a home, which is a bedrock of the American dream. I have never made enough to pay for child care, and it was always like Catch-22 in Nevada. If you worked and you were a two-parent home and one parent is home ill, they did not cover it. You do not qualify for child care assistance.

Ours is an impossible situation. Do I forsake my husband's health and our commitment to one another to keep my job and earn a living? Or do I honor my family and prioritize the health of my husband and our children, even though it hurts us financially? These are the questions I grapple with every day.

Families like mine would rather work and pay our own way. Unfortunately, when you have a loved one with disabilities, they are going to get sick and you have to be there for them.

Today, things are a little different. I work for a small nonprofit. I am fortunate that my boss is empathetic and understanding of the deep commitment I have to my family. And while I no longer fear losing my job, I do have to find ways to make up my lost wages because my employer cannot afford to pay when I am off of work.

Like many families -- I am sorry -- like many small business owners, she supports the FAMILY Act. If there were a paid leave fund, it would make a huge difference for her and for us.

As a country, we should be embarrassed that in 2019, millions of families are forced to choose between their livelihood and their loved ones. If the family is the bedrock of our society, then why does America lag every other country when it comes to supporting and strengthening families?

We can and we must change this by passing the FAMILY Act so working people

can pool small contributions and earn a portion of their pay while they take the time off to care for themselves or their loved ones. This bill will benefit 36 million adults who live with a disabled family member that they are responsible for caring for.

Based on my experience, this bill can save our government money because it would mean that I am able to sufficiently care for my husband and reduce the number of return hospital visits or recurring illness.

I became involved with Make It Work Nevada, which is part of the Family Values at Work Network, to fight for paid leave and affordable child care for myself and families like mine. Thanks to the work of coalitions and networks, several States across the country have a public insurance benefit to combat this problem, and I am glad to say that the sky did not fall in any of those States.

Paid family medical leave is good public policy. Eight in 10 Americans support paid family medical leave programs despite party affiliation or demographics. Do you know why? Because caring for one's family is not a partisan issue. It is an issue of compassion and it is an issue of love.

I want to urge you all today to vote our American values and support the FAMILY Act. I hope you will adapt the improvements that States have made to make sure the program is accessible and affordable to those who need it the most.

Thank you, Mr. Chairman and committee members, for allowing me to speak to you today.

[\[The prepared statement of Mrs. Henry follows:\]](#)

*Chairman Davis. Thank you.

Dr. Jane Waldfogel?

STATEMENT OF JANE WALDFOGEL, COMPTON FOUNDATION CENTENNIAL
PROFESSOR FOR THE PREVENTION OF CHILDREN'S AND YOUTH PROBLEMS,
COLUMBIA UNIVERSITY SCHOOL OF SOCIAL WORK

*Ms. Waldfogel. Thank you, Chairman Davis, Ranking Member Walorski, and other distinguished members. Hello and thank you for inviting me to speak with you today.

I have spent the past 25 years studying policies to support working families and promote child health and development. These policies are a pressing concern today because in the majority of American families, it is no longer commonplace to have a stay-at-home caregiver who can take care of a newborn baby, an ill child, a disabled spouse, an elderly relative, or a family member being deployed or returning from the military.

This trend is not going to change. Most two-parent families need to have both parents in the labor market, and of course the challenges are even more acute among low-income and single-parent families. Yet our public policies have not kept pace with the new demographic reality. The Family and Medical Leave Act provides only unpaid leave to only about 60 percent of the workforce. Federal child care subsidies, as we heard in the chairman's opening statement, reach only about one in six eligible low-income families who need them.

Employer policies address some of the gap, but mostly for more advantaged workers. While 40 percent of employees have access to some paid leave they can use for family reasons, those who are low-income, part-time, or Hispanic are much less likely to be covered. Only a tiny share of employees, only about 10 percent, get any help from their employers in paying for child care, and that number has not changed in decades.

Yet we know from a large body of research that these policies matter for the well-

being of employees and their families. While much of the early research came from other countries, we now have more than a decade of evidence from California, whose first in the Nation paid family leave law came into effect in 2004.

When employees have access to paid family leave, they are more likely to take leave to care for a family member or for themselves. They are more likely to be employed. They are more likely to have higher earnings afterwards. Mothers who have access to paid leave are less likely to be depressed after a birth. They breastfeed for longer.

Fathers who take longer leaves are more likely to be engaged in caring for their children months later. When more paid leave is available, rates of infant mortality and hospitalizations of infants fall. And at the other end of the life cycle, so too do nursing home admissions. Again, that is all evidence from California.

The evidence on child care is also extensive and clear. There is research from the landmark National Institute of Child Health and Human Development Study of Early Child Care and many subsequent studies, and this shows that high-quality child care improves children's health, cognitive development, and social development, especially for disadvantaged children.

Yet too few Americans can afford quality child care, especially in early childhood, when care is most expensive. When more child care subsidies are available, parents are more likely to be employed, reducing poverty and promoting family economic stability. More children receive child care and are in care of higher quality. High-quality child care can play a crucial role in helping improve school readiness and narrowing gaps in readiness.

Opinion surveys consistently show that Americans favor paid family and medical leave. They understand that the need is widespread, as are the benefits. That is why six States to date -- California, Rhode Island, New Jersey, New York, Washington, and

Massachusetts ---and the District of Columbia have enacted paid family and medical leave laws that provide paid leave to care for a newborn or a seriously ill child or family member, and sometimes when a family member is deployed or returning from the military. And many more States are considering such legislation.

These policies are also endorsed by employers. My colleagues and I have been surveying employers in States with paid family and medical leave laws, focusing especially on small employers, who are often missing from such surveys. What we found in three States with paid leave laws -- Rhode Island, New Jersey, and New York -- is that two-thirds of employers were supportive of these laws. Another 15 to 20 percent were neutral.

So in summary, paid family and medical leave and quality, affordable child care are not just vital supports for family economic well-being. They are also essential for the health and development of our children and for the health and well-being of our spouses, elderly relatives, and those serving in the military.

We also know that we cannot leave these essential supports to employers to provide because they will supply little coverage, especially for workers with the greatest need for it. And that is why the American public and employers are looking to the government for help.

Thank you very much.

[\[The prepared statement of Dr. Waldfogel follows:\]](#)

*****INSERT 3*****

*Chairman Davis. Thank you.

Ms. Schultz?

STATEMENT OF KELLY SCHULTZ, SECRETARY, MARYLAND DEPARTMENT
OF COMMERCE

*Ms. Schultz. Thank you very much, Mr. Chairman. Good afternoon to you, and thank you, Ranking Member Walorski and other distinguished members of the subcommittee. My name is Kelly Schulz. I am the Secretary of Maryland's Department of Commerce and former Secretary of the Maryland Department of Labor Licensing and Regulation under Governor Larry Hogan. I am honored to be here today, and thank you for the opportunity to discuss what I believe is the way forward for workforce development in the United States.

In Maryland, we take the concerns of our workforce very serious. We do not treat lightly the challenges faced by our workers and our employers. Over the years we have worked incredibly hard to identify ways in which the State can play a role in sustaining the growing jobs, and having learned that the best solutions are those that temper strategy with funding and leveraging partnership, knowledge, and experience of those on the field to drive innovation.

Today I will share with you the pinnacle of Maryland's workforce development efforts, a program called Employment Advancement Right Now, or EARN Maryland. The EARN program is innovative and transformative. What makes it unique is that it is industry-led.

Working together, we focus on industry sector strategies that establish long-term solutions to sustained skills gaps and personnel shortages, and help working families by creating formal career paths to good jobs. By leveraging relations with non-profit and community-based organizations, the program helps underserved populations with barriers to employment, including lack of transportation, homelessness, addiction, childcare needs,

and criminal backgrounds. This collaboration is an important paradigm shift in workforce development, and the very reason that the program is a success.

Instead of attempting to address barriers to employment with a one-size-fits-all approach, EARN identifies common workforce needs in specific occupations and then develops and implements education and training strategies that address those deficiencies. It is our partners' intimate knowledge of their industry's needs and their personal involvement in the program's design that ensure those participating in EARN training have the relevant, in-demand skills that drive growth.

And it works. A recent study on the economic impact of the program shows that for every dollar Maryland invests, an additional \$18.50 in economic activity is created. Comparatively, the national average for similar programs is about \$3.41.

As of October 2018, more than 5,600 incumbent workers in Maryland have received training, leading to new credentials, certifications, and skills. Additionally, 3,573 EARN participants completed entry level training programs. Of those participants, 2,971, or 83 percent, obtained employment.

Since EARN Maryland was founded in 2014, it has transformed countless lives, providing opportunities that otherwise may not have been available. I would like to share just a few stories, but there are numerous.

EARN participant Davontay completed entry level training and is today employed full-time in the tech industry. He was struggling with financial instability and homelessness, and was looking for a better way of life for himself and his son, when he learned about the NPower Tech Fundamentals program. There he learned valuable technology skills, and is today a full-time network technician specialist.

What Davontay learned through his EARN training allowed him to gain financial stability to help deal with the obstacles that come along with being a single father. He is

now building his experience and preparing to test for his CompTIA Network+ certification.

EARN participant Joseph was living in a Baltimore homeless shelter when he heard about a training program through the Jane Addams Resource Corporation, or JARC, an EARN Maryland grantee. Joseph was struggling to overcome a felony theft conviction, a significant barrier when trying to enter the job market.

With our grantee's influence, Joseph was given an opportunity to start a career in manufacturing. He even received a scholarship for a vehicle and help getting his driver's license reinstated. Joseph has since passed his probationary period and has earned two pay raises. He now has a 401K and vacation time.

There are countless other stories like these of people whose lives have been changed through the EARN program. We are proud to say that in Maryland, working hand in hand with our industry and business partners, we are addressing the needs of our workforce in a strategic and economically efficient way, which has proven to help workers at their point of need, without unnecessary spending by the state.

With continuing investment by Governor Hogan, EARN continues to have a profound impact on the business community and job-seekers in Maryland. The Hogan administration is very proud to support this program and is excited to share its successes in the years to come.

Thank you again for this opportunity to speak with you today, and I look forward to answering any of your questions.

[\[The prepared statement of Ms. Schultz follows:\]](#)

*Chairman Davis. Thank you very much, Secretary Schultz. And we will now begin with the five-minute rule, where each member will get an opportunity to ask questions of the witness. And if I could ask each one of you to move your microphones a bit closer, it would just make it easier for all of us to hear everything that you are saying.

Let me begin with you, Mrs. McKinnie. Unfortunately, your struggle to afford child care is all too common among grandparents. The Annie E. Casey Foundation estimated that only 17 percent of working grandparents get child care assistance.

You mentioned in your testimony that you had to give up a full-time job because it was not flexible enough you to care for both of your boys. I think I understand that your prior job offered you to work a different shift. Could you tell us about the option, and why it was difficult to find child care under that arrangement?

*Mrs. McKinnie. Yes, I can. The other shift they wanted me to work was from 12:00 midnight until 7:00 a.m., which means that I would not have been there to care for the boys, but at the same time I would have to find someone to assist me with being there with them at nighttime.

Also, because Elijah sometime wakes up at night, with night terrors, it is very hard for someone actually to be there to assist him because there are times he is waking up looking for me.

*Chairman Davis. That is indeed understandable, so thank you very much.

Mrs. Henry, you mentioned that two of your children have asthma. And of course research tells us that the same thing is common sense, that parents of children with chronic illnesses have a harder time working and have less time for themselves.

In addition to the pay you lose when you need to stay home and care for your children or your husband, are there also additional costs that would strain the family budget?

*Mrs. Henry. I am sorry. You said additional cost?

*Chairman Davis. Yes. In terms of chronic illness that you have to deal with?

*Mrs. Henry. Right. And just even missing time off. And early on in my husband's -- when he first became disabled, there were different medication costs. Some things were not covered by the insurance companies. So there were times where we had to pay out of pocket or a copay would be really high.

And so I had to make the decision of, do I pay for medicine or do I pay for food? Of course we pay for the medicine, but then I would have to like really utilize food pantries that were within our community.

*Chairman Davis. Yes. I could see how that would indeed be a disruptive hardship, and so we understand that. And thank you for it.

Dr. Waldfogel, last week the National Academy of Sciences listed improved subsidies for child care as one of the common-sense policies that would significantly reduce child poverty, and laid out multiple pathways by which we could reduce child poverty by 50 percent within 10 years.

Can you tell me what your research and that of others shows about how it changes a child's path if his or her family is lifted out of poverty, and a little about the consequences if the family remains poor?

*Ms. Waldfogel. We now know a lot about the long-run effects of child poverty. And one of the most horrible things is that the most detrimental effect of poverty is when it occurs early in childhood. That is when children are most damaged by poverty. So child care is especially important because it reaches children early in childhood, when child care is most expensive and when poverty can be most detrimental.

On the other side, if we can address child poverty and cut child poverty in half,

which the National Academy of Sciences report showed is absolutely feasible, we not only benefit children today, but there are intergenerational benefits because those children when they grow up, they are more likely to graduate high school. They are more likely to be in good health. And they are more likely to have higher earnings and be employed as adults. So that then helps the next generation of children. If we are ever going to solve the problem of child poverty in America, we have got to do it intergenerationally, and we have got to start in early childhood. So the child care subsidies are just critical.

*Chairman Davis. Are there any other ways that you can think of that you might be able to make assumptions about individuals who lived poverty-stricken as they have grown up and become adults?

*Ms. Waldfogel. We have a lot of good evidence about this – from what we call natural experiments. There is a lot of research now because we have a lot of variation in policies. So we have examples where children have benefitted from increased income transfers, and the family has been moved out of poverty.

So we know what those long-run effects are, and they are improvements in education, they are improvements in earnings and employment, improvements in health and mental health, you name it, and then improvements in parenting for the next generation. So the evidence is really good. I will be happy to submit some more materials after the hearing because there is a lot of work on this.

*Chairman Davis. Thank you. Thank you very much.

And Secretary Schultz, I have a great deal of interest in returning citizens, individuals who have been incarcerated, people who have fallen off the track trying to make their way back. I see that the State of Maryland is doing work to expunge records.

Are there special set-asides for that activity in terms of budgeting for it? Or is it just something that individuals who might be working in certain areas do as a part of their

work? Is there any special set-aside money for that activity?

*Ms. Schultz. Mr. Chairman, I can get back to you on the specifics of any budgetary set-aside specifically for ex-offenders and expungement rates. That is not something that I would have dealt with either at the Department of Labor or at the Department of Commerce. But we can get you that information.

But what I will say is that through these EARN-type programs, these training programs, being able to have those wraparound services, so there is free legal services involved in part of the case management, has been something that has been a very successful part of EARN Maryland.

*Chairman Davis. Thank you. Thank you very much, and I am delighted that the State of Maryland is engaged in that activity.

Mrs. Walorski?

*Mrs. Walorski. Thank you, Mr. Chairman. I would also like to insert in the record an article by the Associated Press today that just continues to further exemplify the problem in child care, daycares that kind of thing. If I could do that, I would appreciate that.

*Chairman Davis. Without objection.

[\[The article referred to follows:\]](#)

*Mrs. Walorski. Thank you. I would like to share the experiences of some Hoosier situations in my district, but I want to again thank you ladies for your expertise. Thank you so much for being here, and I definitely appreciate the stories that you shared with us today.

What I am hearing is that employers are desperate to make their employees happy so they can keep them, and they are looking for ways to do that, just beyond wages, what else can they do to incentivize employees to stay. We have employers that are surveying their workers, asking them what they want. What do the employees want to make their job far more productive?

And in one example, to be more family-friendly, workers actually asked for a four-day work week, and the employers accommodated their request. Now, it will cost the employers a little bit more to do that, but in the long run, with even the greater burden, it still was a change that could be made now because the economy is on an uptick. The economy is doing well. This was a good time to make an adjustment.

Secretary Schultz, what do you see going on in Maryland with the relationship between employers and employees?

*Ms. Schultz. I would say first, and thank you, Madam Congresswoman, I think what we see is a relationship that is being built. And I think that that is being built because of the worker shortage, because of the gaps in what the industries and businesses and every industry are seeing, not only in the State of Maryland, but obviously across the country, with low unemployment rates.

So businesses are every day being able to provide different types of incentive programs for their employees. What has become a little bit more difficult, from what I have seen, is the smaller of the businesses being able to keep up with some of the benefits and the incentive packages that the large businesses are able to move forward.

In the State of Maryland, we do have legislation -- we have statutes on the books -- about sick and safe leave, paid sick leave opportunities, but for only businesses that are of a certain size. So the governor had put forward legislation and a tax credit for the smallest of the businesses for them to be able to offer those types of benefits so that they can be competitive in the job market as well for their employees.

But what we also see is the need for increased professional development because where somebody may be coming in at an entry level position, being able to have the employees offered them affordable training for those incumbent workers to move up through that business environment and within that industry is very important, not only for being able to fill the skills but for the retention of the employees because they like to be challenged in different parts of those different types of industry sectors as well.

And that is one thing that EARN Maryland does. It helps to upskill, recertify, provide advanced training to those existing employees so that they can stay employed with those employers.

*Mrs. Walorski. I appreciate it. And when we talk about disincentives for State and local action, as I understand, EARN Maryland is completely State-funded, with the provision of wrap-around services and the type of job training, local job training, provided.

I would have thought there might be some Federal workforce funds to support your efforts. Can you tell me why that is? And if we try to run in from the Federal level to legislate, what should we be mindful of?

*Ms. Schultz. Flexibility. One of the reasons why it is solely State-funded at this point in time is that we are able to utilize those funds for every demographic. At the Federal level, there are several workforce programs, dollars that are coming from several Federal agencies, that have requirements on how that fund is being distributed and to what demographic it is being distributed.

For example, you are going to get funds from the Department of Labor, you can get funds from the Department of Agriculture, from the Department of Education, Health and Human Services. So there is a wide variety. And with each of those funding streams, you have a very specific use in what you have to utilize.

With the EARN program, with our State dollars, we are able to bring in any worker that wants to be trained with the possibility of the job, more than a possibility; it is a requirement of the program that jobs are created after those training programs. And we can utilize it on all of those demographics, whether it is the disabled, whether it is the ex-offenders that are coming in for a second chance, whether it is somebody that is on unemployment insurance, or somebody that is receiving benefits through TANF or SNAP.

*Mrs. Walorski. I am just curious. I am very much looking at a different kind of case management reform, putting people back in the lives of people to help and not just having people that are a number and are running things through the system.

I am just curious. In the EARN program, do you have people actually one-on-one, almost like social workers and advocates on behalf of people to help make the transition so vulnerable people can really make the American dream for themselves?

*Ms. Schultz. We really do. Because of the way that the stakeholder groups are set up for each of the partnerships -- there are 78 partnerships across the State -- each of them have a separate training program. Each of them have a separate industry sector group, businesses that are involved with that. And each of them have a separate community or nonprofit organization that is working directly with them.

And that community nonprofit organization is there to be able to provide that guidance. You have the trainer that is giving them the skills, but then you have the community mind that is coming in to look at the rest of the case management, which we call that, to make sure that those barriers to employment are taken care of prior to the job.

*Mrs. Walorski. I appreciate it. Thank you so much.

Mr. Chairman, I yield back. Thank you.

*Chairman Davis. Thank you very much.

Representative Sewell?

*Ms. Sewell. Thank you, Mr. Chairman and Ranking Member, for this really enlightening panel. I think that it is really important that we get to the bottom of why it is that, as an industrialized Nation, we are one of the very few that do not have paid family leave.

I want to thank all of our panelists, but I especially want to thank the two ladies that have really shared their own personal stories. I represent Alabama's Seventh District, which is Birmingham, which is a big city. But it also includes my home town of Selma, Alabama.

And many people know Selma because of the civil rights movement and the bridge. But it is a town of 19,000 people. And I had a personal crisis similar to the crisis that you, Mrs. McKinnie, and you, Mrs. Henry, talked about. My dad -- I am the oldest and the only girl -- and my dad -- I am a Daddy's girl -- suffered a series of strokes that left him in a wheelchair.

And my mother -- both my mom and dad taught in the public school system of Selma for over 30 years, so they had what we like to say is good insurance. They had good insurance. And my dad had a series of massive strokes; the last one left him in a wheelchair. But because he had good insurance, he was airlifted, saved his life.

But it changed our family dynamic because my mom, who was the high school librarian and loved her job, and was on the city council in Selma and loved that job, had to make a decision about whether or not she could continue to work and care for Dad.

And so, Mr. Chairman and Ranking Member Walorski, I really want to make sure

that when we are talking about paid family leave, we are talking about comprehensive paid family leave, not just for new moms and fathers, but also for caregivers in all the forms that they occur.

My mom left her job. She had tenure. She had a good retirement benefit. But she was not ready to give up, at the age of 62, her job that she loved so much. But someone needed to take care of Dad. And while I am very grateful that we had the ability for her to do that, it did change our family dynamic.

At the end of the day, they were very proud people, and they did not want the rest of the small community to know how bad Dad was. Dad was the high school basketball coach, and he was a legend in his own mind. But he also won six State championships and was a towering figure in our community.

And I at the time was a practicing lawyer. You do not realize how you are free to be who you are when everything in your life is going well and people who are your support system are going well.

So I really wanted to just say that your story is very -- it is especially hard for low-income families to bounce back when one has a family crisis like that. And when you are a solo and you are the sole breadwinner within the household, that is even harder.

And so I want to say hats off to both of you ladies for making it in America in spite of. And we, as Members of this august body, need to do something to make sure that we are incentivizing employers to have paid family leave. It is great that we have FMLA, and I was able to take some time off from my job to go back home to Alabama and to help with my family -- unpaid.

But I also saw my parents struggling to find good home care. No one treated my dad better than my mom. But the reality is, especially in rural communities, there are very few people there who can actually be a care provider that is not on drugs, that is going to

be timely, reliable, that you can actually pay a decent wage so that that person can provide for their family.

We as a society have to take a real interest, not just the employer, but we in government. That is why I want to commend you, Secretary Schultz, for Maryland seeing the importance that the role the State government has in creating -- in closing that working gap.

So I think in the few remaining seconds that I have, I would love to hear from you, Mrs. McKinnie, or you, Mrs. Henry, about what it would mean to you if your family had paid family leave, what financial stability that would offer you ladies as caregivers.

*Mrs. Henry. Well, thank you for sharing your story. I really appreciate it. I know that if we had paid family medical leave very early on in my husband's fight to find out what was wrong with him that we would be so much further along right now.

I honestly feel that both of us would be full-time employed. I feel that without having the time off to follow up timely with -- to follow up timely with different testing that he went through, to follow up --

*Ms. Sewell. Perhaps you would be a homeowner by now.

*Mrs. Henry. Right. I know I would. I think that not being paid while I was off, we lost a lot of ground. Right? I think if I had the opportunity to be off with him very early on and he as well, we could have probably gotten his diagnosis a lot sooner, not having to wait three years. Right?

We would have been able to afford to travel out of town, to go see the specialists that were recommended. We started to do that. We did go to California a couple of times. But we were not able to afford to go continuously. So I feel deep down in my heart that we would be way further along than we are now had I had the opportunity to have paid leave very early on in his illness.

*Ms. Sewell. Thank you.

*Chairman Davis. Thank you very much.

*Mrs. Henry. You are welcome.

*Chairman Davis. And a moment of personal privilege. I must confess that it was not just in his mind. I happened to run into your niece over the weekend when your aunt --

*Ms. Sewell. Aunt, over the weekend.

*Chairman Davis. -- over the weekend.

*Ms. Sewell. My dad's sister.

*Chairman Davis. And she shared with me about your father. And they had a pet name that they called him.

*Ms. Sewell. That is TMI. Too much information.

[Laughter.]

*Chairman Davis. Good.

*Ms. Sewell. But I say that to say that it became a community project to help my mom and dad. But it was not enough that they had good insurance. They needed wrap-around services. They needed help in the community. And it is okay to raise your hand to say you need help.

So often our teachers and our coaches are the ones in the community that become a surrogate father for so many. And my dad lasted 14 years. He passed last year. But for 14 years after that massive stroke, he continued to live. And I know it was because he had so much help.

So I think it is important for us, as Members of Congress, to remember that we all have a role to play in making sure that our communities are healthy and strong. And that starts with making sure that families are healthy and strong.

*Chairman Davis. He was a known entity.

Mr. Reed?

*Mr. Reed. Thank you, Chairman, for that. And Terri, thank you for sharing. As a Republican Member over here, I will share our story because we all journey down similar paths. I am the youngest of 12. I have got eight older sisters and three older brothers. And my father passed when I was 2.

So I had a powerful female influence in my life in my mother, who was a single mother, that got thrown that life curve ball. And that is why I do believe there is a role of government in these situations where these circumstances occur.

And Mrs. McKinnie and Mrs. Henry, your evidence of folks that -- we so appreciate showing that how you can overcome that adversity and prosper. And so we share the commitment. And what I see is a common theme here, and it was something that was taught to me by my mom -- the power of family. The power of not necessarily government always being the cornerstone of these relief structures; government has a role to play. But you cannot lose sight of the power of the family.

And you cannot lose sight of the power of the community. And you cannot lose sight of the power of work and what that -- because each and every time you spoke right now, Mrs. Henry, you are talking about getting back to work and enjoying that American dream of getting a job, getting a job and getting a home, that you are striving to get. And that comes through hard work and the dignity of work.

And so I was proud, as a Republican Member, one of the first and only Members, to go on the Republican side up to Boston last week. I went to Chelsea. I went to Chelsea, an inner city type of community. It was a top three community about 10, 12 years ago, one of the most dangerous communities to live in in America.

And because of -- and I firmly believe -- because of an organization known as Roca, I wanted to go there firsthand to meet Molly Baldwin and see the inspiration and

what she is bringing to that community. And now Chelsea is not on the list of dangerous communities in our country.

And what I saw there as I did a ride-around with those folks, I saw a community where you had trust, where you had a relationship amongst all the stakeholders who are working hand in hand with community, with government actors. And I will just tell you, I so look to duplicate that success story as we go forward.

And one of the things that was clear to me is they were really trying to measure outcomes in a different way. It was not just about money going through the door or through the program or through the office. It was about measuring outcomes of how it improved lives that were coming through that door.

And so what I am very interested in maybe from the panel here today -- and maybe, Ms. Schultz, we can start with you, but anyone -- how would you design a system so that we are measuring outcomes in a positive way rather than just the number of people coming through the door, the number of dollars that are going out the door?

Is there any thought process by any of you that you would offer me in regards to -- and us as legislators to try to measure these programs in a new way to really look at those outcome factors? Anyone?

*Ms. Schultz. I am happy, Congressman, to see if I can tackle that question. But I am sure that the other ladies on the panel may have some input as well.

I know that particularly in the State of Maryland, we are measuring outcomes. It just so happens to be through the effective use of the tax dollar and what we are getting back from our investment. And because we know that we are getting roughly \$18.50 back on every dollar that we invest, the methodology that is used in order to be able to track that is dependent on the human outcome after the training.

It is who is getting a job? Who is coming off of benefits? Who is being able to

save money to buy a car? Who is being able to save money to buy a house? Who is with a company that may be able to provide better benefits because you are in an employee status with a company that may have the ability to offer those different types of benefits to their employees over a longer period of time, and to continue to be able to provide professional development training moving forward so that theirs is always an advancement.

And I think it is really important to understand, when we are talking about creation of jobs, we are talking about creations of careers and professional development for a lifetime. And that is the makeup of what we see is the most important part of the success of EARN.

*Mr. Reed. I so appreciate that.

Doctor? Any thoughts on how we can measure? And then maybe Mrs. Henry and Mrs. McKinnie real quick at the end.

*Ms. Waldfogel. Just to say that we are getting better at measuring things all the time because the data is getting better all the time. And as you probably know, there has been an explosion of work on administrative data and linking to big data sets. So our capacity to look at hard outcomes and measurable outcomes is just getting better all the time.

*Mr. Reed. Based on the innovation and the technology. That is how.

*Ms. Waldfogel. Yes. But even now, if you think about the work that has been done in California following their comprehensive Paid Family Leave Act, we have outcomes on employment and earnings and weeks worked and hours worked for both men and women. It used to be you could not look at paternity leave because too few dads took it, and they were out -- blink and you miss them because they are not out very long. But we now have research on dads taking paternity leave.

*Mr. Reed. That is so good. So --

*Ms. Waldfogel. We are doing work now on people taking leave when they have disabled family members or elder family members. They have been so neglected in this research. And I am learning something as a researcher. It turns out there are great data sets. I just had not used them before. So that is actually what we are doing now.

And then in the child domain, we can look at mental health. We look at kids' test scores, infant hospitalizations, birth weight, you name it, breastfeeding. Because it not just who is using the leave. That is the first order question.

It is: So what difference is it making in families' lives? Are people more able to stay in employment? And some of it is super-creative. I have mentioned this nursing home study. That is not my research, so I am touting somebody else's study. Super-creative.

So California passes family leave, and nursing home admissions go down because you have an elderly relative ---it has happened to all of us -- somebody breaks their hip. They need rehab. And do they get care at home with somebody arranging it for them, or do they go into a nursing home, which is the worst possible place?

*Mr. Reed. Well, thank you, Chairman. I know my time is expired. But I think there is common ground there measuring new outcome data, discussion it is good to hear the data is out there.

*Ms. Waldfogel. Yes.

*Chairman Davis. Thank you, Mr. Reed.

Mrs. Murphy?

*Mrs. Murphy. Thank you, Mr. Chairman. And thank you to the witnesses for your testimony. Mrs. McKinnie and Mrs. Henry, I appreciate you sharing your stories. Your strength is inspiring. You have worked so hard and clearly sacrificed so much for your loved ones. It is clear to me that you would do anything to help your families.

And I think Congress should be thinking about bipartisan ways in which we can make your lives a little easier. And I think that is why we are here today. And I cannot help, when I listen to your stories, but to think about my own family story.

We escaped Communist Vietnam when I was just a baby, and were relocated to Virginia by a Lutheran Church. And in those early days of setting up here, my parents had to work multiple jobs just to be able to afford basic child care for me and to make ends meet.

And so many decades later, I still hear similar stories from many of my constituents -- mothers, fathers, and other caregivers in my district who struggle to make ends meet. They work hard. They are playing by the rules. But they really struggle to provide for their families.

Those with young children in particular face real challenges. For them, child care is a necessity. But high-quality child care is expensive and out of reach for many families. And some families have no choice but to sacrifice quality for affordability, and their children's development pays a price for that.

Other parents are compelled to frequently miss work or to leave the workforce altogether because they cannot find a child care option that meets their needs and their budget. And in fact, only 30 percent of Florida families can afford infant care.

And so I have stated the problem. So, what is the solution? The main ways that the Federal Government helps working families access child care are TANF, the Child Care and Development Fund, and two provisions in the Internal Revenue Code, a tax credit for child care and an income exclusion for employee-sponsored child care.

And each deserves attention, but I would like to focus on the tax provisions. Chairman Davis has done outstanding work in this area. And following his lead, Republican Congressman Jason Smith and I will soon file a bill, and Senators King and

Burr will also file an identical bill in their chamber.

The bill would basically increase the tax credit and make it refundable. So it helps lower-income workers who cannot really take advantage of the credit the way it is structured now. The bill would also increase the income exclusion. So workers at participating firms could set aside more of their earnings to pay child care expenses while reducing their Federal tax liability. In the last 25 years, the cost of child care has increased over 170 percent, and yet not much has changed about our tax code as it relates to that.

Professor Waldfogel, do you think it is important for Congress to consider bipartisan ways to enhance the two Federal tax provisions aimed at helping working families afford child care?

*Ms. Waldfogel. Yes. Absolutely. And I think it is an area where, as you said, there is a lot of bipartisan agreement. And I think there are good intentions. The intention is for these tax credits to be available to low- and middle-income families.

And I think many people are surprised to learn that they are not -- because they are not refundable, because they are too cumbersome, because you have to be using regular child care arrangements to benefit from them. And as we have heard, often the arrangements are unstable and work is unstable.

So I think once we understand that, hopefully there is more will to extend them and make them available to low- and middle-income families. If you are very low income, you can get subsidies. If you are at the high end, you can pay for child care. It is the middle income families and the working poor families who are really struggling. And child care subsidies are so limited that extending the tax credits would be a fabulous thing to do. So boy, I applaud what you are doing.

*Mrs. Murphy. Thank you. We certainly hope it is a step in the right direction.

Another bipartisan goal is for every child to have a fair shot at the American dream regardless of how much money their parents earn. Professor, can you explain why access to good, affordable child care for families all along the income spectrum is so important if we want to make this dream a reality?

*Ms. Waldfogel. Well, I have talked about the detrimental effects of poverty in early childhood. And these are especially pronounced when it comes to school readiness. We have got children from low-income, low-SES families coming to school a year behind their peers from higher-income, higher-educated families.

I do not know how teachers can do their job and produce equal outcomes for children when you have got children coming in a year behind their peers. And what is the best single way to address that kind of school readiness gap? It is high-quality preschool.

Otherwise, if you leave preschool to the market, affluent people will buy really high-quality care. Middle income people will do the best they can. But the best they can - - I mean, child care is just completely unaffordable. And low-income families, if they win the lottery and get a subsidy or get Head Start, will get some provision. But otherwise, they will do the best they can.

So it should not be surprising to us that children are coming to school so unequally prepared. But what a tragedy, and completely preventable.

*Mrs. Murphy. Thank you very much.

*Chairman Davis. Thank you very much.

*Ms. Waldfogel. Why would we run a lottery with access to child care? This is just -- we do not run a lottery with access to a tax deduction or with access to other benefits. If you are going to pick one thing to run a lottery --

[Laughter]

*Chairman Davis. Thank you.

Mr. Estes?

*Mr. Estes. Thank you, Mr. Chairman. And I want to thank all the witnesses who are here today sharing your personal stories or things that you have seen that are actually happening in the real world now.

As we are meeting today, our economy is booming, and it is at historic levels, actually. In fact, for the first time in history, we have more jobs than we have job-seekers. And it is great news, but it does present challenges to some of our workforce development, and making sure that we are preparing people with the skills that they need to compete for today and in the future. And one of these things that is most important about this is we want to make sure that all workers and all families have the opportunity to participate in this growing economy.

Secretary Schultz, you mentioned in your testimony that the EARN Maryland program partners work with industry leaders to help establish some of those long-term solutions to worker shortages. In my district in Wichita, Kansas, we are known as the air capital of the world. We have over 91,000 employees dealing with aviation issues throughout the State of Kansas.

And today we are seeing a critical shortage of workers to actually fill some of those positions, and some of them because of their life issues that are impacting people. And so I know the EARN Maryland program has been successful in Maryland. Is that a program that we could repeat in other States like Kansas to help get more workers in the workforce?

*Ms. Schultz. Absolutely. Absolutely. And I think I mentioned that there were 78 programs in the State of Maryland right now, and growing. The more money we put into it and expand into different areas, we are able to concentrate on the industry needs.

So if in Kansas there is a group of industry sector businesses all around one particular area that have one particular need in a skill for the ability to fill a gap within that industry, then they come together. They say, "This is what we need. This is the type of credentialing that we need. This is the curriculum that we need in order to be able to do that."

They partner with a training program, and also a community nonprofit organization, to be able to bring those individuals to those training program. And then those businesses hire directly from the training program. So whatever that industry is -- in Maryland we have everything from construction to cybersecurity, which is one of Maryland's biggest growing needs at this moment in time, and everything in between, healthcare -- and each part of our State has a different need, and each industry in those different parts of the State have a different need.

But I would say particularly, Congressman, in your particular area of that industry, of aeronautics and aerospace, there are so many different levels of expertise that you need to have going into that particular industry. It is not one set of skills.

So the program could be developed at the very beginning stage, being able to bring in that entry-level employee, and then providing those incumbents training to be able to stay in that industry and for the businesses to retain them but continue to move them up the ladder where the skills may be needed in the future.

*Mr. Estes. Thank you.

*Ms. Schultz. You are welcome.

*Mr. Estes. You also mentioned in your testimony that there was an \$18.50 return for every dollar invested, and that the comparable average across the Nation is only about \$3.40. I served as Kansas State Treasurer prior to coming to Congress, and so obviously, talking about numbers and talking about good returns is something that is important to me.

I am sure there are lessons that Maryland has learned from going through that that helped accomplish that. How can we capitalize on some of those lessons learned and some of the benefits you got out of that, plus I assume that also freed up funding for other programs in the State to help make those programs a success as well.

*Ms. Schultz. Yes. I totally agree with you that being able to track and to be able to monitor the program is very important. I think what we have been able to do differently -- because there are Federal programs, obviously, that are tracked and monitored, and we have to be able to emphasize and hit the marks of where we need to be to continue with, for example, U.S. Department of Labor, what the requirements are there.

I think, differently, with the EARN being able to track it, is that we are definitely tracking the people with the performance, making sure that we have the outcomes of the stories that you may have heard here today and the stories that I have shared in my written testimony, many other stories that are there.

But I do not think it should be a bad word, when we talk about government, whether it be the Federal Government, State government, or local government, what is our return on investment of the taxpayer dollar? And here being able to legitimately say that we have this great level of return, it is not in the form necessarily of money coming back to the State, but it is money going into the overall economy of the State.

It is the money that is going into the tax revenues. It is the money that is going into the paychecks of those individuals and being able to then go into their local communities and spend the money that they have, and also not having to collect other types of benefits from those other government entities that they may have been collecting from prior to.

*Mr. Estes. Thank you, Secretary, and thank you for all the witnesses today.

Mr. Chairman, I yield back.

*Chairman Davis. Thank you. Thank you very much,.

Mr. Gomez?

*Mr. Gomez. Mr. Chairman, thank you so much for having this important hearing. I am very excited about it. I have a personal story as well that falls in line with some of you when it comes to a family emergency. When I was 7 years old, I got pneumonia, and I ended up in the hospital for about a week.

My parents worked five to six jobs to make ends meet. We did not have health insurance. They took time off to make sure somebody was there every moment of the day. So in a combination of the lost wages but also the fact that we did not have health insurance, that one-week stay almost bankrupted my family. And it did put a huge financial strain on my family.

I always tell people, how do I know? Because my siblings were really mad when they were not getting Christmas gifts that year. So it is something that really motivated me to get interested in healthcare as a whole, especially when it comes to paid family leave. So to the witnesses, thank you for sharing your story because it does provide perspective that everybody needs to hear.

Before I get into it, I sometimes feel that we are trying to set up a debate, either workforce or paid family leave. And just let's get to the point. Ms. Schultz, do you believe it has to be job training or paid family leave?

*Ms. Schultz. Do I believe it has to be job training or paid family leave? I think that there are many, many programs out there --

*Mr. Gomez. That is a yes or no question.

*Ms. Schultz. I do not think it has to be one or the other. I think that you have to have an --

*Mr. Gomez. Okay. Good. Because neither do I. Right? And I do not want us to think that it has to be one or the other. Job training is crucial. Crucial. So the program

you are running seems very impressive. I would love to learn more about it. But it is not one or the other. That is one of the messages I want people to walk away with.

Also, to Dr. -- how do you say your name again?

*Ms. Waldfogel. Waldfogel.

*Mr. Gomez. Waldfogel. Is a person who is not working eligible for paid family leave?

*Ms. Waldfogel. No.

*Mr. Gomez. So only a person that is working, either self-employed or not, is the only person that is eligible for paid family leave? So this is something I want people to know. This is not a handout. This is something that is being taken out of their paychecks, revenue, into a State -- oftentimes State disability insurance fund, which it is a social compact, and they get to use it when they need it.

Right? That is one of the things I really want people to walk away with. This is not a handout. They paid into it and they deserve to be able to use it. That is the paid family leave program that I know about.

As you all know, California has been a leader on this issue. It started in -- actually, it was passed in 2002, implemented in 2004. And talk about research and learning from our history. There was a report in 2014 based on the 10-year anniversary, and it actually laid out a lot of weaknesses and improvements that we could do on paid family leave.

Can you share some of the insights from your research related to the elements of California's program that have worked well or those that could be tweaked to make the programs even better?

*Ms. Waldfogel. Yes. It is a really good question. I think we have learned so much from California. And I just have to say, I think they have done a fabulous job administering the program. But that said, there are things that you can learn from it.

So I think one of the first concerns they had had to do with take-up, just awareness of the program and take-up. They had outreach, but there were still numbers of Californians, and especially in low-income communities, who did not know about the law. So that is important to know about.

And every State since then has put more money in for outreach and making sure that -- I knew when the law turned on in New York State because suddenly, in the subways, they were blanketed with "New paid family leave." And the pictures showed fathers and people taking care of their grandparents and caring for a military family member, to make clear that it was not just about maternity and paternity. So New York was able to learn from California.

I think there were also some concerns about the replacement rate being too low for low-income families. It is tough, as we have heard. It is very tough to take leave off without pay or with low pay, and the replacement rate in the first few States was kind of low. So that was a concern.

*Mr. Gomez. No, I thank you for bringing that up. Actually, my bill in 2015 and 2016 increased the wage replacement rate to address that issue, the equity issue, because most of the people that were using it were people that were making \$82,000 or more a year. Right? Not necessarily low-income workers.

And just for the fact, before I run out of time, this does not have to be a partisan issue. I had Republicans actually vote for the bill when I was in the legislature. So maybe they did not vote for the 2002 version when it was the first idea, but they voted to tweak it, and it was in response to their constituents' request, to have something that they could actually access.

So thank you so much to the witnesses. I yield back, Mr. Chairman.

*Chairman Davis. Thank you very much.

Mr. Wenstrup?

*Mr. Wenstrup. Thank you very much, Mr. Chairman, and thank you all for being here today. These are issues that I am very passionate about. And I like that we are here to try and explore the innovation of ideas to try and solve American problems.

As a doctor, the health and well-being of our citizens is important. I actually ran for Mayor of Cincinnati several years ago and I lost, and my opponent called me a few months later and said, "I have an opening on the Board of Health and I would like you to serve there." And it was a great opportunity to engage at that level.

I served on the VA Committee, and recently we were able to get through compensation for family caregivers that are caring for eligible disabled veterans. You talk about the savings -- that care in the home. And also, who loves you more? Right? Than the person in the home. So these are things that we are looking at, and some of it is taking place.

In my district, during the Obama administration, they implemented something called Rural Impact, and 10 counties in the country were selected for this trial. And it gave them more local authority, more local flexibility, to do things. If you look at those in need, amongst the needs you have are nutrition, housing, healthcare, and when you are dealing with the Federal Government, they are all over the place, as opposed to working with a case manager that can make a difference right then and there.

So she had that ability, the case manager, and she introduces me to a couple. They have six kids living in a one-room cabin. And he says to me, "I cannot take the third shift job because I have nowhere to sleep when I get home." So she was able to quickly get them into a home with a couple bedrooms. He goes to work; she goes to work. She gets the child care that they need. They are on their way.

And this is what I would like to see more of, a local level where you can actually

engage. You go to their home. You meet your family and see the situation that you are in and be able to make changes that can get you well on your way.

Now, she said they may run into the cliff effect, where they worry about making too much and the kids lose their Medicaid. That is another story that we need to address in this country, but nonetheless.

And Dr. Davis, this is something you are passionate about, as am I. I joined Big Brothers 31 years ago when my Little Brother was 9. He got a little older. He got in trouble, went to jail. He said, "When I got out, I got 50 bucks, and the only person to pick me up was the one that got me in trouble to begin with. And it is hard to get a job."

And so we are seeing some changes take place in our local community that I think may be similar to what is taking place in Maryland. But this is privately. This is nonprofit, something called Cincinnati Works. You got a record, you come to us. And you want to go to work and you want to end this? And we will get you ready. And you join Cincinnati Works. You do not just fill out a form and we try and get you a job. You are part of this family now.

We have a company called Nehemiah Manufacturing. They make Procter & Gamble products. Everyone there has a record. Every employee has a record. And they have the greatest workforce. I saw one gentleman stood up one day and he said, "I am a taxpayer for the first time in my life," and he was about 40 years old. This is the type of thing that we want to see taking place, that second chance I know you are passionate about, Dr. Davis. So am I.

And these are things done, again, at the local level. And you are engaging with human beings, not just pieces of paper. And it sounds like that is what you are doing, Secretary Schultz. And I would like you to comment on the advantage of maybe that local flexibility and how we can make a real difference in people's lives.

*Ms. Schultz. Well, thank you, Congressman. That is a very intriguing story.

I think the flexibility part of what we are able to do goes directly to each individual program that we have. It is very important for everybody to know that the State of Maryland is not setting up the programs. The State of Maryland is verifying that these programs are healthy and that they exist so that the partnerships can basically run their programs.

And we have oversight, and we work with them to make sure. But they understand what the needs are. They understand what the needs are of those industry sectors, of the businesses that are looking to hire into their businesses. But they also understand, much more than we do sitting in our office building in Baltimore, how that individual trainee, that future employee, needs to be served for their barriers to be mitigated.

And they are the ones that are doing that. So providing them with the flexibility within their own area of expertise is something that I think serves everybody well.

*Mr. Wenstrup. I would like to hear from anybody at a local level to say how we can make that more accommodating to the efforts on the local level so that success can be achieved.

*Ms. Schultz. Well, Congressman, if I may, we did have -- four years ago in 2015 there was some unrest in the City of Baltimore. The State Department of Labor received a \$5 million demonstration grant from U.S. Department of Labor. I am very grateful for that.

We worked very closely with the City of Baltimore to put this demonstration grant together. The final outcome was called "One Baltimore for Jobs." And with that, it was a series of individual programs, based on the EARN Maryland model, that basically took different parts of the city, brought in different employers that were looking for different skills that they needed to have, and it was 12 different training programs that happened

within the City of Baltimore with the inclusion of those wrap-around services -- with the case management, with legal aid, transportation, child care, anything that they may need.

And that is what EARN is based on. And that microcosm that we were able to develop within the City of Baltimore for the period of time that we had funding for that was the extension of what we were able to do at the State level.

*Mr. Wenstrup. Thank you. And I believe those wrap-around services are the key to getting things done.

*Ms. Schultz. Yes.

*Mr. Wenstrup. Thank you, Mr. Chairman. I yield back.

*Chairman Davis. Thank you.

Ms. Chu?

*Ms. Chu. Well, thank you, Mrs. McKinnie and Mrs. Henry, for testifying today. Your personal perspective is very meaningful for us, and just emphasizes to us the need for paid family leave and child care. And I was fortunate enough to actually be in the California State Legislature in 2002 when we voted on the bill. So it is so wonderful to see, after 15 years of implementation, as to how far it has gone.

Now we have six weeks of partial pay to employees who can take time to care for a seriously ill child, a parent, a parent-in-law, a grandparent, grandchild, sibling, spouse, registered domestic partner, or to bond with a new child that is entering the family through birth, adoption, or foster care placement.

So Dr. Waldfogel, in your testimony you reference having studied California's policies and the positive outcomes that have been achieved since this policy has gone into effect. And I took special interest in noting the health benefits for children, who benefitted from one or both parents taking paid family leave. Can you expand upon that?

*Ms. Waldfogel. Sure. We found that the length of time that mothers take on leave doubled, and more than doubled for minority women and for less educated low-income women, who had been least likely to be able to have access previously. The amount of time that fathers take went up by about 50 percent.

Then in terms of the health benefits, there are reductions in infants being hospitalized, increases in breastfeeding, and improvements in mothers' mental health after the birth, which of course is hugely important for child health and development.

*Ms. Chu. I remember the debates that took place in 2002 as the bill was going through the State legislature. And one, of course, had to do with businesses and small business worries that they could not afford such a policy.

You mention that you have been studying States that implemented that, and there are some employers who, at the start of such a policy debate, would say that they cannot afford it or that they do not support the concept of paid leave. But your research on employer attitudes shows that two-third of employers are supportive of paid family leave laws.

Is that true even among small employers and across different types of industries? Can you talk about what your research has found on that front?

*Ms. Waldfogel. Amazingly, it is true in the small employers and it is true across industries. We were stunned. Our first study was in Rhode Island, and we did two industries where we thought it would be extremely challenging to have workers on leave, food services and manufacturing.

We could hardly get these employers on the phone. Think about calling a Dunkin' Donuts, and when is a good time for someone at Dunkin' Donuts to take a survey? There was no quiet time. We finally went with a survey firm because we realized we could not do it ourselves. But when they finally got these guys on the phone -- these are the direct

line managers -- they said, "It is not a problem. We are supportive."

And then we have since gone into New York and New Jersey, two other States that have laws. They are with much larger samples. We have got representative samples, 1200 employers in both those States, so 2400 total. These are small and medium firms, and we decided to go across the whole range of industries. So we have got the whole range of industries.

Across all the industries, they are all supportive. The survey shows two-thirds support across the board regardless of firm size, regardless of industry, regardless of whether they have got predominately female employees, part-time employees. It does not vary. When the employees are out on leave, employers are covering the work by assigning it to other employees 80 percent of the time.

Sometimes they have to hire a replacement worker. But they are not paying the worker while they are out on leave, because they are getting paid through the State fund. So in the rare instances where they have to hire a replacement worker or have someone do overtime, they are not double-paying because the person on leave is not being paid by them.

So it has been a non-event for them -- and some of the small employers say to us that it helps them compete with the larger employers because they cannot afford to offer the benefit, and they have been at a disadvantage. So they appreciate the fact that the State is picking it up through this fund that everyone is contributing to.

*Ms. Chu. And in fact, there would be actual benefits to the business?

*Ms. Waldfogel. Right. Exactly. Because it helps them retain their employees. Because it does not help them, either, if they have someone who has a disabled spouse or has to suddenly take care of their grandchild or a parent who is ill, they have to drop out of the labor market. That hurts the employer who is invested in that employee, and they have

got to hire somebody new, train them, get them started up -- in this labor market where it is tough to find people. So it is a benefit for employers as well.

*Ms. Chu. Thank you. I yield back.

*Chairman Davis. Thank you. Thank you very much.

Mr. Evans?

*Mr. Evans. Thank you, Mr. Chairman. Again I want to thank the chairman for this meeting because I think this is a fantastic discussion that we are having.

Mrs. McKinnie, I have to ask you a question because you kind of touched a nerve when you said 5:00 in the morning. I think of that when my mom dropped me off at my Aunt Louise. There is something about 5:00 in the morning that you were saying you had to get things ready.

I can only say to you that the issue I am most concerned about is, based on your experience, what do you think States can do better to connect grandparents like you and the resources that you may be eligible for?

*Ms. McKinnie. What I think would help is that if we would have the funding for the grandparents because then we would have the assistance for child care.

*Mr. Evans. Right.

*Ms. McKinnie. Even to come into the home. But I think mostly it is because of the funding is not there for the grandparents, and grandparents are not recognized when it comes down to raising their grandchildren.

*Mr. Evans. Obviously going back to you, can you please elaborate on what store flexibility you are provided through your employer? What type of flexibility is provided you?

*Ms. McKinnie. The employer that I left --

*Mr. Evans. Right.

*Ms. McKinnie. -- they gave me the option to start work at 12:00 p.m., or should I say 12:00 at night, and get off of work at 7:00 in the morning. That was the option. At the time, I could not -- well, I cannot take that option because I want to make sure that I am there to raise them.

But then also, I have Elijah with the special needs that he has. Sometimes he does wake up in the middle of the night. And if he does not see me or I do not come into his room to help to calm him down, then I would get a phone call.

*Mr. Evans. Mrs. Henry, I thank you, too, for your sharing your story. But can you explain to us what you had to do to ensure your children were taken care of while you were at work and your husband was managing his health condition?

*Ms. Henry. Well, I am thankful. I am thankful for family.

*Mr. Evans. Right.

*Ms. Henry. If it would not have been for family, this time would have been really, really difficult. Early on, when my children were younger, I did have Head Start, and I am thankful that Head Start was there for myself and my family.

It is the best two-generation program that there is, helped me work with getting goals for myself, helped me when we were struggling to find -- when we were fighting for my husband's disability through Social Security. They are the ones that recommended me to get a lawyer to do this.

But outside of that, once they aged out of Head Start, we did not have many options. So I had to rely on either the family members and sometimes neighbors. Sometimes you did not know what kind of care you were putting your children in.

So access to affordable, quality child care would have been best so I did not have to -- and I hate to say "burden," but sometimes it is burdensome to other family members when they have children of their own that they need to care for, and they have to work

themselves. But family has been there for me.

*Mr. Evans. Secretary Schultz, can you please explain the kind of training the EARN Maryland program provides? Are soft skills a part of the training? Because I have found that that is a big issue with some programs, that some do not necessarily deal with soft skills. Can you speak to that?

*Ms. Schultz. Absolutely, and thank you very much, Congressman, for the question. It can be. It depends on the type of program because the State does not run the individual programs. The State provides funding and manages the partnerships that are there.

So industries come to the training provider and to the community and tell them what is needed in order to be able to have a successful employee come into their business. Many of those employees, particularly if it is entry level training that is occurring, will say that they need to have different types of soft skills, as they have been called, life skills moving forward in order to be able to understand what the requirements are in that particular work environment. But some, if they are doing incumbent training, those life skills may already be in existence and they may not have to.

So the type of training and the level of training that is needed by the individual partnerships will vary. And I think that that is one of the most fundamental reasons for success, is because there is flexibility for the businesses to say exactly what it is that they need for their future employees to come in.

*Mr. Evans. Thank you. I yield back, Mr. Chairman.

*Chairman Davis. Thank you.

Ms. Moore?

*Ms. Moore. Thank you so much, Mr. Chairman. And I want to thank all of our witnesses for appearing and being patient with us.

I have been sitting here scrawling and scribbling a little bit, doing the math. It just does not work out, Mrs. Henry and Mrs. McKinnie. I am sorry. I am really happy that you are appearing here today because this committee is going to have a lot of discussions about welfare recipients and how to put them to work. But you people are not welfare recipients.

I just want to just throw out a few statistics before I ask you all a question. A family of two making \$16,910 a year is considered to be at the poverty level. And so perhaps they would qualify for daycare. But if you make a couple more dollars an hour, \$9.35 an hour, you suddenly are not eligible for your daycare, just using your number of \$600 a month, which is really cheap, but I will use your number.

That will be like \$3.75 an hour, which would leave a person making \$9.35 an hour \$5.62 an hour to raise their family. So they would actually fall below the poverty level if they had to pay for their own daycare. That just does not work out.

God bless you, grandmother, not even kin to the child grandmother, for stepping up as you have. I know that autism is a very pernicious disease. It has a great association with schizophrenia, and the cost to government for taking care of Elijah is so much greater than any support that they are giving you.

And Mrs. Henry, you are trying to take care of your family. And again, you say you did not really have those daycare problems. With having four kids, you really could forget it. We do not even have to do the math. So do not even bother do the math; I am just saying.

Dr. Waldfogel, I was really interested in your testimony. And I am thinking that the United States is one of the OECD countries, the civilized countries, listening to what Ms. Sewell was saying earlier. Out of 36 countries, we are at the bottom -- at the bottom of countries that provide family-friendly support so that women can go to work and do not find themselves in the situation of all the testimony we have heard today. And it is not just

welfare recipients. It is women, like I have described, who make \$9.35 an hour.

Without family leave, without child care, we see the work participation rate falling in the United States. And it is just like fingernails scraping on a chalkboard when I hear the President, for example, bragging about the workforce and the low unemployment rate. But workforce participation is dropping.

And is it fair to say that it is primarily because we do not have these family-friendly policies for women? There are lots of causes, but would that not be one of the biggest ones?

*Ms. Waldfogel. Yes. There is very good evidence on that. We are losing ground compared to other countries, and the difference is that we do not provide these family support policies. So when somebody has a disabled child, they have a young child, they have a disabled family member, they end up dropping out of the labor force.

So they end up not working because it is too costly or because they cannot get the leave. They cannot get the child care. There is great work by Fran Blau and Larry Kahn from Cornell. They have looked at this across countries. And it is the reason why our labor force participation --

*Ms. Moore. And so it is not just an unemployment rate or anything that determines what our economy looks like. It is workforce participation. That is a big number we need to be looking at with that --

*Ms. Waldfogel. Well, and it has implications for our economy and for economic growth. Obviously, parents are best-positioned to decide what they want to do. So if it is best for their family for someone to stay home, that is their choice. But --

*Ms. Moore. But it is not their choice if they --

*Ms. Waldfogel. But there are families where it is not their choice. These are

families where they would like to be working, but cannot afford the child care.

*Ms. Moore. They cannot afford the cheapest daycare. I cannot imagine only \$600 with -- tell these people in Washington, D.C. about \$600 a month daycare. They would laugh at you. There is no such thing. This is just her number.

*Ms. Waldfogel. So either they are dropping out of the labor force, which hurts them and hurts the economy -- it hurts all of us, and economic growth -- or they are working and the children are in a patchwork of care, shifting every day from somebody different, which is no good for the children.

*Ms. Moore. That's right. That's right. Bad for the family. Bad for the economy. Seventy percent of a capitalist economy is based on consuming. And when people cannot work, they cannot buy.

And I would yield back to the chairman.

*Chairman Davis. Thank you. Thank you very much.

Mr. Rice?

*Mr. Rice. Thank you, Mr. Chairman, for accommodating me sitting in on the hearing even though I am not a member of the subcommittee. But I was very interested in hearing the testimony. Thank you, ladies, for sharing your story.

I represent an area in South Carolina of eight counties. I live in Myrtle Beach, which is a very tourist-oriented area. And then the area around Florence, South Carolina has a fair amount of industry. South Carolina as a whole is doing really well in our current economic expansion. The national unemployment rate is below 4 percent; South Carolina is below 4 percent. And the Myrtle Beach area and Florence and a couple other of my counties are doing real well.

But I also represent three of the poorest counties in South Carolina. And they have been struggling for a long, long time. Now, their unemployment rate is down; their

unemployment rate is lower than it has been in 40 years, and that is good. But we have way too many people who are outside of the workforce.

And it is a real paradox because on the one hand, in these prosperous areas, which are not far way, I have got employers that are screaming for employees. And then I have got these three very poor counties, where South Carolina, the poverty rate is about 14 percent. It is a little higher than the national average, but not that much.

But in these counties, it is about 25 or 30 percent. And it is generational poverty. And convincing these people that the American dream is for them, too, and that there is opportunity for them, is a difficult task.

So we have started putting together perceptions and workforces to try to pull together this glaring need for employees with this available group of people who have just dropped out, and ne'er the twain shall meet. We are engaging pastors, and we are engaging people -- the tech schools, and guidance counselors, and superintendents, and teachers, and so forth, because it is not just people who have long been out of school. The guidance counselors will tell you, 30 percent of the people leaving high school, and they just have no direction and they just never enter the workforce.

So I would like the two of your insight. I want to solve the problem. I try to lift people up all the time. And in my opinion, a job is the best cure to crime. A job is the best cure to poverty. A job is the best cure to drugs. A job -- you get somebody, if you pull them back into the workforce, you are helping their family. You are helping their neighborhood. You are helping their State, and so forth.

And I can tell you, in my tech schools -- I've got three of them, and they do a great job -- but they are not being effective at reaching this hard-to-reach population. I have got a tech school in Horry County, South Carolina. They offer classes in electrical and plumbing and welding and machining, and 100 percent placement. And these people are

making 50 percent higher than the State's median wage. And they cannot get people to sign up.

It is not that it costs too much. It is not cheap. It is not a loan. It is free. If you come from a disadvantaged family, it is free. And not only is it free, they will pay your bus fare. They will pay your bus fare to get there. And they cannot get people to sign up.

So I would like your insight. I cannot read your name. I am sorry, Mrs. Walfol?

*Ms. Waldfogel. Waldfogel.

*Mr. Rice. Yes, ma'am. I would like your insight. Give me some hints on what I should be doing. And then I want to just -- I only have -- you got 45 seconds, and then I am going to turn to Ms. Schultz.

*Ms. Waldfogel. Well, I really like Congressman Wenstrup's emphasis on case management and actually talking to folks about, what is the barrier? Why are you not able to come to the training? Why are you not able to take it up? 15 percent of families with children have a kid with chronic special healthcare needs, whether it is asthma or something else, that they have got to manage at home, or autism. The older workers get, the more likely they are to have a disability or a serious health condition, or somebody --

*Mr. Rice. A lot of these people are just coming right out of high school.

*Ms. Waldfogel. Yes. So I would want to understand from them. I think then you have got to start with the case management approach. And we know from the years of welfare reform that -- we talk about ladders and rungs on a ladder. And what is the first rung? It is getting you to the training or getting you to meet with the caseworker, and then setting some goals. And what is the next rung?

And so maybe getting to training five days a week for that person is too much to do just then because there is so much else going on. There is some kind of mental health

problem, substance use problem --

*Mr. Rice. I have to turn to Ms. Schultz. I am sorry.

*Ms. Waldfogel. Yes. But I think if you work with folks individually, I think then you learn an awful lot about what these barriers are because it is not going to be any one thing -- we have talked about a lot of different scenarios, you and I. It could be a number of different things, and it is going to differ depending on who it is.

*Mr. Rice. Ms. Schultz?

*Ms. Schultz. Thank you, Congressman. I think that many States are suffering from the same type of stats that you have said about your State, and we are working diligently to get to the young people earlier on, before they graduate from high school, and I think that is key. Developing different types of work programs and introducing the businesses to those individuals that are in the K through 12 system right now is very, very important.

We have developed -- in order to be able to not continue with that poverty that has gone through many generations. It was mentioned here a little earlier about the two-generation approach. So going with children that are in fifth, sixth, seventh, eighth grade, being able to introduce different types of business sectors, different types of work environments, particularly in South Carolina with the growth of advanced manufacturing that you are seeing as a success in South Carolina.

Being able to introduce them early on so that they know there is a future. In the State of Maryland we developed a youth apprenticeship program, which connects businesses with individuals in high school to be able to get them immediately into a work environment, have an apprenticeable type of occupation with an employee that is tracking them along the way.

And that started out as a pilot program in two counties, and now it is going

statewide. In almost every county, we will have one by the end of next year. So we have heard from many of the different businesses that you have to get them, their attention, their attention and their parents' attention, far before they walk with their cap and gown on graduation day. It is going to start at a younger age.

*Mr. Rice. Thank you. I yield back.

*Chairman Davis. Thank you.

Mr. Beyer?

*Mr. Beyer. Chairman Davis, thank you very much for allowing me to sit in. And I thank all of you for being here. It is a travesty that the U.S. Government comes in last among developed Nations when it comes to paid parental leave, and it is a benefit critical to starting a healthy family. So we are really intent on trying to end this archaic practice where you have to choose between a paycheck and a child.

Federal employees are no exception. Just this week Carolyn Maloney, Jennifer Wexton, Steny Hoyer, and I introduced the Federal Employee Paid Leave Act to guarantee paid maternity and paternity leave for Federal employees. And interestingly, it has a positive Congressional Budget Office score the last time it was scored. It actually saves the Federal Government money to make sure this woman or a man comes back to work after the baby is born.

Dr. Waldfogel, can you talk to the economic benefit of paid family and medical leave?

*Ms. Waldfogel. Sure. So I think we have been emphasizing the economic benefit to the families, which are really substantial -- reducing economic hardship, promoting family economic stability. There is also an economic benefit to the government because we tend to focus short-term on, oh, somebody is going to be out on leave. But they are out on leave and then they are returning to work, rather than having to leave that job

altogether.

So they are going to be paying more taxes into the future. They are going to have higher earnings into the future. And there is a benefit for employers as well because they are retaining valued employees, and they do not have to hire a new employee and recruit and train and start somebody else.

So although we have been emphasizing the benefits for the families, there are benefits as well for the government and for employers.

*Mr. Beyer. And by the way, for women especially, who often get knocked off their career ladder when they take a couple years off because they cannot go back.

One of the other things that -- I am very proud to be a co-lead on a bipartisan bill to expand family leave for parental bereavement. It is called the Sarah Grace-Farley-Kluger Act, actually had death of a child as a life event that would qualify for leave under the Family Medical Leave Act. It is weird that right now, even under the unpaid, you get X number of weeks if you have a child born. But if one dies, you get a day or two.

Can you talk about other shortcomings in the existing Family Medical Leave Act that States are addressing and that we should be addressing here?

*Ms. Waldfogel. The main shortcoming that the States are addressing is providing pay because the FMLA is unpaid. A second thing that they are doing is covering all employees, regardless of firm size. We were talking earlier about California. It is just remarkable that California, right from the get-go, covered all employees, regardless of firm size. And it has turned out to be no problem for small employers. And so the other States have followed suit. So they are all covering employees regardless of firm size.

So the States are going beyond FMLA in providing payment, in covering all employees, and they are also starting to expand the definition of family members. So

whether these leave laws cover if you need to take leave to care for a grandchild -- actually, not all of them do. And what we have heard today is that there are all these families where grandparents are taking care of grandchildren. Not all of them are eligible for leave, and of course, they should be. So that has been another area of expansion.

*Mr. Beyer. So while we talk expansion, we read recently that the birth rate in the U.S. is the lowest in 30 years. It has fallen every year for the last 10 years in a row, and it is now down to 1.7 babies per woman, and 2.1 is replacement. The last time we were at replacement rate was 1971.

And I know from my own experience -- I am in Northern Virginia that my pal talks about -- so I have yet to talk to a woman where the cost of child care does not equal their take-home pay. You have got to be a partner in a major D.C. law firm for that not to be true.

But you also see that there is an underfunding, that so often it is only the wealthiest that get it because it is not refundable. Can you talk about how much added benefit it would be if the child care tax credit was refundable?

*Ms. Waldfogel. Okay. So for the families at the very bottom of the income distribution, there is basically a lottery. So if you win the lottery, you get a child care subsidy or you get a Head Start slot or an early Head Start slot. That is a real lottery. That is very rare.

Middle income families really are not even in the lottery. They can get the tax credit. But there are no guaranteed subsidies for them. Making the tax credits refundable would then reach those low-income families and give them more of a guarantee of a child care subsidy, whereas now it is this lottery whether you could get a child care subsidy.

*Mr. Beyer. I have one of the most educated and most wealthy districts in the country. And the number one and two complaints are the cost of healthcare, prescription

drugs and premiums, and then number two is the cost of child care and how difficult it is.

All right. Thank you very much. Mr. Chair, I yield back.

*Chairman Davis. Thank you. Thank you very much.

The fact that we have had several Members come and participate who are not members of this subcommittee I think is an indication of how important we all feel that this issue really is. So I want to thank you, Mrs. McKinnie, you, Mrs. Henry, Dr. Waldfogel, Secretary Schultz, for coming to share testimony with us.

I also want to thank all of you who have come and sat through the hearing, and both of our staffs on their preparation work, to us, this is the beginning, and it simply means that over the period of time we hope that many of the thoughts and ideas you have expressed will become real and get etched into law as we try and help make sure that we increase and improve the quality of life for families, and especially for our children that the songwriter said are most important because the future of our world depends upon them.

So we thank all of you for your participation, and the subcommittee is adjourned. Thank you.

[Whereupon, at 3:38 p.m., the Subcommittee was adjourned.]

Submissions for the Record Follow:

[Michael Binder](#)

[Jane Waldfogel, Employer Attitudes](#)

[CLASP](#)

[David Stacy](#)

[Paid Leave US](#)

[Anne B. Mosle](#)